



Ministry of Housing, Communities & Local Government

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The Building Safety Levy: launch date and levy rates

The Building Safety Act 2022 introduced a power for the Secretary of State to introduce a levy on new residential buildings requiring certain building control approvals in England, to raise revenue for the purpose of building safety expenditure. The Government has committed to ensuring buildings over 11 metres tall with unsafe cladding are fixed as quickly as possible, and to protecting the taxpayer and leaseholders from further remediation costs. The Building Safety Levy, first announced in 2021, is one of the measures we are implementing to ensure that the industry responsible makes a fair contribution to fix building safety issues. It will be collected by local authorities on behalf of central government.

As part of the Remediation Acceleration Plan published in December 2024, the DPM announced her intention that the levy would come into effect in Autumn 2025. To give the housing sector more time to adapt, we have determined that the levy regulations will be laid in Parliament later this year, and the levy will now come into effect in Autumn 2026. This will give local government, the Building Safety Regulator, and Registered Building Control approvers a further 12 months to prepare for the levy, and housing developers who will pay the levy more time to factor levy costs into their plans.

This will in no way impact the pace of remediation; the government is committed to fixing building safety defects as quickly as possible.

In order to give housing developers as much time as possible to factor the cost of the levy into their plans for upcoming developments, I am today announcing the levy rates, that will be applied when the levy comes into force. These are included in the response to the levy technical consultation, which I am publishing today, having taken into account the feedback to this consultation and to the previous consultation on the levy. The technical consultation response provides further detail on the operation of the levy.

Levy rates have been set for each local authority area using average house prices for that area. Therefore, the levy rate is highest in those areas with the highest house prices, and lowest in those areas with the lowest house prices. This will help to mitigate the housing supply impact of the levy. A discounted rate of 50% of the standard levy rate has been set for works on previously developed (sometimes known as 'brownfield') land, to reflect the higher cost of

building on this type of land. Affordable housing and community facilities, and small developments with fewer than ten units are exempt from paying the levy. The levy will be charged per square-metre of floorspace in a chargeable development. The rates are therefore set per square-metre.

If you have any further questions about the levy, my officials will be pleased to assist you, they can be contacted via BuildingSafetyLevy@communities.gov.uk.

Yours sincerely,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

ALEX NORRIS MP

Parliamentary Under-Secretary of State for Local Growth and Building Safety